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8 January 1985

MEMORANDUM FOR: Deputy Director for Policy,

Analysis & Evaluation

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FROM:

Chief, Information Division

SUBJECT:

Implementation of the Banding Pay System

REFERENCE:

Memo from D/Commo to D/Pers dated

19 Dec 84, same subject

 This memorandum documents the severe difficulty in implementing several of the banding procedures requested by the Office of Communications in the referenced memorandum. The titling of incremental increases as "Merit Advancement" can be implemented by the end of the present quarter. However, the manual use of the within-grade increase form would be totally inappropriate without significant modifications of the Agency within-grade increase procedures. In brief, the reasons why the Form 560 would be inappropriate for manual use and impossible for present computer use are as follows:

The automated personnel assignment system (PERSIGN) will only process 560's which change data elements, and a bonus will not update any field.

The Form 560 itself documents "from" and "to" permanent change information, which is not appropriate to a bonus.

The payroll interface with PERSIGN will only process permanent changes, and bonuses won't process or record.

Obviously, if some way were developed to circumvent these problems, the bonuses would increase the employee's reported salary base, impacting salary dependent items such as FEGLI coverage and a high three retirement salary average.

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- 2. I would suggest that the OC Pay Banding bonuses could be handled through an OC "Awards" program. This could be handled through a separate cost analysis number, and obligated and expended for each employee as OC awards bonuses. If this is set up under OC aegis, it should provide OC with both control and reporting capability.
- 3. An OP reporting capability will have to be maintained no matter what records are kept by OC. The Pay Banding project is being treated as an Agency test project and must, consequently, be evaluated by OP to validate its continuance in OC and its broader applicability in the Agency. At the present time ID is looking at the Qualifications (CENQUAL) and Awards (SAWP) systems to see if minor changes would provide an adequate bonus reporting capability.

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